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In the

Supreme Court of the United States

October Term, 1957
No. 851

EDWARD V. LUCAS AND MARCELLA LUCAS,
husband and wife,

Petitioners,

vs.

BOARD OF EQUALIZATION OF DOUGLAS COUNTY, NEBRASKA

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE SUPREME COURT OF THE STATE OF NEBRASKA

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INDEX

	Pages
Opinions Below	1, 2
Jurisdiction	2
Question Presented	2
Statutes Involved	2
Statement	2, 3, 4
Specification of Errors to be Urged	4
Reasons for Granting the Writ	5
Conclusion	7
Appendix A—Opinion of District Court	8-11
Appendix B—Opinion of Supreme Court of Nebraska	11-21
Appendix C—Applicable Statutes	21-23

CITATIONS

Trotter v. Tenn., 290 U. S. 345	6
84 C. J. 2d 464	6

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Petitioners pray for a Writ of Certiorari issue to review the judgment of the Supreme Court of the State of Nebraska entered October 25, 1957, and rehearing denied December 13, 1957.

OPINIONS BELOW

The opinion of the District Court of Douglas County, Nebraska (R. 12-14), Appendix A, pages 9-11, is unre-

ported. The opinion of the Supreme Court of the State of Nebraska (R62-72), Appendix B, pp. 12-22, is reported in 165 Neb. 315, 85 N. W. 2d 638.

JURISDICTION

The judgment of the Supreme Court of the State of Nebraska was entered on October 25, 1957 (R62-72). A petition for rehearing was filed on November 12, 1957 (R73), which was denied on December 13, 1957 (R.77). The jurisdiction of this Court is invoked under 28 U. S. C. 1257 (3).

QUESTION PRESENTED

Whether the benefit which a paraplegic veteran receives under 38 U. S. C. 740, being specially adapted housing facilities, is exempt from taxation under the provisions of Title 38 U. S. C., Section 454(a).

STATUTES INVOLVED

The pertinent statutory provisions are printed in Appendix C, infra, pp. 22-23.

STATEMENT

The petitioner, Edward V. Lucas, is a paraplegic veteran of World War I. He sustained the loss of both of

his legs as the result of a service-connected injury. Pursuant to the provisions of 38 U. S. C. 740 (Appendix C), the Administrator of Veteran Affairs approved the payment of $10,000.00 to said petitioner for the purchase of a house specially adapted to a paraplegic. As recited in the opinion of the Supreme Court of the State of Nebraska, "the house has ramps, instead of stairs, wide hallways and doors to provide easy passage of a wheelchair, special bathroom fixtures, and a double door in the bedroom of appellant to afford him direct and easy exit from the house in the event emergency withdrawal therefrom should be required. The house was constructed according to plans and drawings approved by the regulations of the Veterans' Administration. This agency furnished appellant $10,000.00 which was required to be, and it was, applied to the payment of that amount of the cost of the house constructed.

The federal question was first raised in the pleadings filed in the District Court of Douglas County, Nebraska (R10-11).

The District Court, in its decree (R15, 16, 17) found:

1. That the appellant, Edward V. Lucas, a paraplegic veteran, did qualify for and receive payment of a benefit in the sum of $10,000.00 under said law.

2. That under the provisions of said law, Edward V. Lucas was required to and did apply the proceeds of said payment towards the purchase of a specially constructed house at 451 Beverly Drive, Omaha, Nebraska, and legally described as Lot 4, Tegtmeier's Second Addition.

3. That the tax exemption provided in Title 38, U. S. C. A. 454 (a), for the payments of benefits

to veterans in certain cases, does not extend to any portion of the real property purchased by the veteran from the proceeds of said payment."

On appeal, by assignment of error, before the Supreme Court of Nebraska, this same question was presented, and answered by said court as follows:

"The immunity of the property involved to local taxation to the extent of a value of $10,000.00 is claimed by virtue of an Act of Congress. The Act of Congress of August 12, 1935, Title 38, U. S. C. A. 454(a), contain the following: (quoted)

"The payment of the benefits in the sum of $10,000.00 above mentioned was made to appellants under a law of the United States relating to veterans within the terms of the Act of Congress described in the part thereof set out above. The proceeds of the grant were immediately upon receipt of them by appellant invested in the real estate owned by him and concerned herein. The exemption from taxation erected by the act applies only to "payments of benefits due or to become due." The real estate in which the benefits were invsted by appellant does not qualify under the terms and limitations of the immunity granted by the act."

SPECIFICATION OF ERRORS TO BE URGED

The Supreme Court of the State of Nebraska erred:

1. In holding that the housing facilities which the petitioner acquired pursuant to 38 U. S. C. 740 were not exempt from taxation.

2. In affirming the decree of the District Court of Douglas County, Nebraska.

REASONS FOR GRANTING THE WRIT

The question presented is one of interpretation of a Federal statute not heretofore determined, and we submit, interpreted probably not in accord with the decisions of this Court.

1. 38 U. S. C. pg. 740, being part 9 of Regulation 1(a), An Act to Provide Certain Additional Rehabilitation Assistance for Certain Seriously Disabled Veterans in Order to Remove an Existing Inequality, Appendix C, page 23, provides for assistance in the acquisition of specially adapted housing for paraplegic veterans. The petitioner herein was the recipient of such a benefit, and it was so found by the court below. Section 454(a) of Title 38 of the U. S. C. provides for the exemption from taxation of all benefits due or to become due to veterans. Whether or not petitioner in this case is entitled to the exemption from taxation would then appear to depend upon what was the benefit he received. Under the provisions of the act, he received $10,000.00 which act required him to acquire the specially adapted house. If the benefit was in fact the money, then the exemption would appear to be lost. If, however, the benefit is the housing facilities which the act required him to purchase, then it is the housing facilities that are the benefit and he should be entitled to the exemption. That it is in fact the housing facilities and not the money, we believe appears clear, from reading the legislative history of the act, 1949 U. S. Code Congr. Service, pg. 1931, which provides:

> "This measure is aimed at helping the veteran who has a substantial continuing need for a specially adapted house, if he is to live comfortably outside

of a hospital. This will materially assist toward the rehabilitation of these veterans who have suffered greatly in the service of their country and to whom the government owes the obligation of taking constructive measures in behalf of their readjustment in civilian life and their resumption of as normal lives in their own communities as possible under the circumstances."

The opinion of the Supreme Court of the State of Nebraska cites the case of *Trotter v. Tenn*, 290 U. S. 345, 54 S. Ct. 138, wherein it was held that a guardian who invested his ward's funds in real estate lost the exemption from taxation as to said real estate. We submit that said reasoning is not applicable here as the benefit in this case is the housing facility which the veteran must purchase and he has no option to keep the funds even if he so desired.

2. Although it is generally recognized that exemption statutes are strictly construed, this does not seem to be the rule with reference to the construction of the statute granting veteran's benefits. The rule is set forth at 84 C. J. 2d 464, as follows:

"The United States statute exempting from taxation war compensation and other government allowances for insurance, maintenance and support is to be liberally construed in favor of the veteran."

This same rule was stated in other words by this Court in the case of *Trotter v. Tenn.*, 290 U. S. 345, 54 S. Ct. 138, as follows:

"Exemptions are not to be enlarged by implication, but they are, on the other hand, not to be read so grudgingly as to thwart the purpose of the lawmakers."

If the ruling of the Supreme Court of the State of Nebraska is correct, this will be the first benefit that a veteran has ever received that was not entitled to exemption from taxation under the provisions of 38 U. S. C. 454(a), as the court found as a matter of law that the veteran was required to spend the funds for the housing facilities and could not keep the funds as such. Yet, the court reasons, although you can't keep the funds, they are only exempt from taxation so long as you retain them.

3. It is estimated that there are from 30 to 35 veterans in Nebraska in a similar position as the petitioner, and that there are well in excess of four thousand veterans throughout the United States who are entitled to receive the same benefit and would be affected by determination of this question. So far as the veterans within the State of Nebraska are concerned, the mill levy on real estate taxes is so high ($62.00 per $1000.00 assessed valuation in Omaha) that unless the exemption to the extent of $10,000.00 is allowed, it is doubtful whether very many of said veterans will be able to live outside of government hospitals.

CONCLUSION

For the foregoing reasons, this Petition for Writ of Certiorari should be granted.

Respectfully submitted,

ROBERT E. O'CONNOR,
AUGUST ROSS,
Counsel for Petitioner.

March 10, 1958

APPENDIX A

IN THE DISTRICT COURT OF DOUGLAS COUNTY, NEBRASKA

DOC. 581 NO. 6

EDWARD V. LUCAS and MARCELLA LUCAS, husband and wife,

Plaintiffs,

vs.

THE BOARD OF EQUALIZATION OF DOUGLAS COUNTY, NEBRASKA,

Defendant.

DECREE

This matter coming on for hearing on this 19th day of November, 1956, it being one of the judicial days of the October 1956 term of the District Court in and for Douglas County, Nebraska, upon the pleadings and the evidence; the appellants, Edward V. Lucas and Marcella Lucas, being represented by their attorney, August Ross, and the appellee being represented by John C. Burke, Deputy County Attorney for Douglas County, Nebraska, and the Court being fully advised in the premises finds, with respect to the claim of overvaluation of land and improvements:

1. That plaintiffs are residents of Douglas County, Nebraska, and the owners of the following described real estate, to wit:

Lot Four (4), in Tegtmeier's Second Addition in Douglas County, Nebraska, as surveyed, platted and recorded.

2. That the County Assessor of Douglas County, Nebraska, determined the valuation of said real estate as of March 1, 1956, as follows, to wit:

	Basic Value	Assessed Value (50%)
Land	$ 2,080.00	$1,040.00
Improvements	15,900.00	7,950.00
	$17,980.00	$8,990.00

3. That on the 15th day of June, 1956, plaintiffs filed their Complaint with the Board of Equalization of Douglas County, Nebraska, objecting to the valuations as fixed by the County Assessor, and shown above, for the reason that the same are excessive, and that the property is, in part, exempt from taxation.

4. That on the 22nd day of June, 1956, the Board of Equalization of Douglas County, Nebraska, dismissed the Complaint filed by the plaintiffs herein and approved the valuation as fixed by the County Assessor of Douglas County, Nebraska.

5. That plaintiffs have perfected their appeal from said order of the Board of Equalization as by law required.

6. That there was no competent evidence submitted to this Court which could sustain a conclusion that the Board of Equalization of Douglas County, Nebraska, or the County Assessor of Douglas County, Nebraska, acted in bad faith, or were animated by any improper, fraudulent or corrupt intentional violation of law or duty, or the essential principles of practical uniformity.

7. That appellants failed to establish, in the manner required, that their property was overvalued for tax purposes, or that appellants or their property were discriminated against in violation of their constitutional rights.

The Court further finds, with respect to the claimed tax exemptions provided in Title 18, U. S. C. A. 454(a):

1. That the appellant, Edward V. Lucas, a paraplegic veteran, did qualify for and receive payment of a benefit in the sum of $10,000.00 under said Law.

2. That under the provisions of said Law, Edward V. Lucas was required to and did apply the proceeds of said payment towards the purchase of a specially constructed home at 451 Beverly Drive, Omaha, Nebraska, and legally described as Lot Four (4), in Tegtmeier's Second Addition in Douglas County, Nebraska, as surveyed, platted and recorded.

3. That the tax exemption provided in Title 38, U. S. C. A. 454 (a), for the payments of benefits to veterans in certain cases, does not extend to any portion of the real property purchased by the veteran from the proceeds of said payment.

It Is, Therefore, Ordered, Adjudged and Decreed that this appeal from the Board of Equalization of Douglas County, Nebraska, with respect to the question of overvaluation of land and improvements, should be and the same is hereby dismissed.

It Is Further Ordered, Adjudged and Decreed that

the tax exemption claimed by Edward V. Lucas, appellant herein, should be and the same is hereby denied.

It Is Further Ordered, Adjudged and Decreed that all costs in this action should be and hereby are taxed to appellants.

It Is Further Ordered, Adjudged and Decreed that the Clerk of the District Court of Douglas County, Nebraska, furnish a copy of this decree to the County Assessor, to the County Clerk and to the County Treasurer.

By the Court:

/s/ Patrick W. Lynch

Judge

APPENDIX B

In the Supreme Court of the State of Nebraska

Edward V. Lucas, Et Al., Appellants, v. Board of Equilization of Douglas County, Nebraska,

Appellee.

85 N. W. 2d 638

Filed October 25, 1957. No. 34242.

1. *Taxation.* The presumption is that, when an officer or assessing body values property for assessment purposes, he or it acts fairly and impartially.

2. ———. If the assessor does not make an inspection of the property but accepts the valuation thereof fixed by a professional appraiser, the presumption in favor of the assessment does not obtain but the burden in such a case remains upon the protesting party to prove the assessment is excessive.

3. ———. The burden imposed on the complaining taxpayer is not met merely by showing a difference of opinion between his witnesses and the county assessor or the county board of equalization with regard to values unless it is established by clear and convincing evidence that the valuation placed upon his property, when compared with valuations placed on other similar property, is grossly excessive, is the result of a systematic exercise of intentional will or failure of plain legal duty, and is not mere error of judgment.

4. ———. Generally, the valuation of property for tax purposes by the proper assessing officers should not be overthrown by the testimony of one or more interested witnesses that the values fixed by the officers were excessive or discriminatory when compared with values placed thereon by such witnesses.

5. ———. The exemption from taxation provided by section 3 of the Act of Congress of August 12, 1935, Title 38, U. S. C. A., section 454a, in respect to payments of benefits to veterans by the government of the United States, does not extend to real estate purchased in part or wholly out of such payments.

6. *Constitutional Law: Appeal and Error.* This court will not ,in an appeal, consider or determine the constitutionality of a statute unless it has been made an issue in the case in the trial court.

Appeal from the district court for Douglas County: Patrick W. Lynch, Judge. Affirmed.

Fitzgerald, Ross & O'Connor, for appellants.

Eugene F. Fitzgerald, John C. Burke, and Arthur D. O'Leary, for appellee.

Heard before Simmons, C. J., Carter, Messmore, Chappell, Wenke, and Boslaugh, JJ.

Boslaugh, J.

The controversy in this case relates to the valuation placed on real estate owned by Edward V. Lucas and his wife for taxation purposes and a claim of partial exemption of the property from liability to local taxation to the extent of $10,000 of the cost of the property which was paid with money received from the government of the United States by and for the use of Edward V. Lucas, a disabled veteran. Each of the claims was rejected by appellee and the district court. Appellants have continued the contest by this appeal.

Edward V. Lucas, referred to herein as appellant, a veteran of World War I, suffered a service-connected disability resulting in the amputation of his legs. He acquired and is the owner of Lot 4 in Tegtmeier's Second Addition in Douglas County. In 1954, he constructed a house thereon which was specially adapted for his use because of the nature of his disability. The house has ramps instead of stairs, wide hallways and doors to permit easy passage of a wheel chair, special bathroom fixtures, and a double door in the bedroom of appellant to afford him direct and easy exit from the house in the event emergency, withdrawal therefrom should be required. The house was constructed according to plans and drawing approved by and the regulations of the Veterans Administration. This agency furnished appellant $10,000 which was required to be and it was applied to the payment of that amount of the cost of the house constructed. The remittance of the grant of $10,000 made by the United States was payable to appellant and transmitted to and received by the Veterans Administration office in Omaha. Appellant endorsed the draft in blank

in that office and the Veterans Administration applied the proceeds of it to the payment of that amount of the cost of the house.

The evidence offered by appellants as to the value of the property was as follows: Edward V. Lucas said the lot cost $3,750. The cost of constructing the house thereon was $21,000. The total cost of the whole property was $24,750. Repairs necessary because of faulty construction would, in his opinion, cost $2,000. His opinion was that the fair market value of the property was $20,000. He did not know the valuation for taxation of other residence properties in the neighborhood. There was not other evidence offered by appellants on this subject.

The county assessor of Douglas County testified that in his opinion the basic value of the lot was $2,080; that the basic value of the improvements thereon was $15,900; and that the basic value of the whole property was $17,980. The county assessor did not inspect the property but he had the report made by the tax appraisal board of the county. The county board of equalization sustained and adopted the basic value of the property as determined and fixed by the assessor and fixed the ratio of basic value to actual value at 70 per cent.

The county assessor of Douglas County had held that office since 1939. For the year 1956 he assessed the basic value of the lot of appellant at $2,080 and the basic value of the improvements on it at $15,900. The assessor did not inspect the property. He based his assessment upon his many years of experience in assessing

property in that county and upon information gathered and reported to him by the tax appraisal board of the previous year. He testified that the valuation of the property of appellant compared favorably with valuations of comparable property in this area of the county. Appellants insist that the basic valuation of the property involved is excessive. They say that a basic valuation of $17,980, as fixed by the assessor, adopted by the board of equalization, and adjudicated by the district court, requires an actual value of the property of $25,685 because the basic value is 70 per cent of the actual value. They also protest that there was no evidence produced by appellee to sustain an actual value in that amount. Appellants misconceive the party upon whom was cost the burden. They do not assert or attempt to establish that the assessed value of the property involved was not fairly and properly equalized when considered with the assessment of all other similar property. The only evidence offered by appellants was that of Edward V. Lucas and he stated that he had no information of the valuation placed on other comparable property in the neighborhood of his property. He testified only that his opinion of the fair market value of his property was $20,000.

The burden was on the property owner to establish the assessment was excessive. If the county assessor accepted the valuation of this property as determined and reported by the tax appraisal board, the presumption that he properly assessed the property would not exist but the burden would nevertheless be on the property owner to establish that the assessment was excessive. This court declared in Gamboni v. County of Otoe, 159

Neb. 417, 67 N. W. 2d 489: "The presumption is that, when an officer * * * values property for assessment purposes, he acts fairly and impartially in fixing such valuation. * * * Where the assessor does not make a personal inspection of the properties, either by himself or a deputy, but accepts the valuations thereof fixed by a professional appraiser the presumption in favor of the assessment does not obtain. However, the burden in such case is still upon the protesting party to prove the assessment is excessive.

The evidence on behalf of appellants is not sufficient to satisfy the burden cast upon them in this case. In LeDioyt v. County of Keith, 161 Neb. 615, 74 N. W. 2d 455, it is said: "The burden imposed on the complaining taxpayer is not met merely by showing a difference of opinion between his witnesses and the county assessor or county board of equalization with regard to value unless it is established by clear and convincing evidence that the valuation placed upon his property when compared with valuations placed on other similar property is grossly excessive and is the result of a systematic exercise of intentional will or failure of plain legal duty, and not mere errors of judgment. * * * Generally, the valuation of property for tax purposes by the proper assessing officers should not be overthrown by the testimony of one or more interested witnesses that the values fixed by such officers were excessive or discriminatory when compared with values placed thereon by such witnesses. Otherwise, no assessment could ever be sustained." The contention of appellants in this respect is not sustained.

The immunity of the property involved to local taxation to the extent of a value of $10,000 is claimed by virtue of an Act of Congress. The Act of Congress of August 12, 1935, Title 38, U. S. C. A., section 454a, contain the following: "Payments of benefits due or to become due shall not be assignable, and such payments made to, or on account of a beneficiary under any of the laws relating to veterans shall be exempt from taxation, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. Such provisions shall not attach to claims of the United States arising under such laws nor shall the exemption herein contained as to taxation extend to any property purchased in part or wholly out of such payments."

The payment of benefits in the sum of $10,000 above mentioned was made to appellants under a law of the United States relating to veterans within the terms of the Act of Congress described in the part thereof set out above. The proceeds of the grant were immediately upon receipt of them by appellant invested in the real estate owned by him and concerned herein. The exemption from taxation erected by the act applies only to "payments of benefits due or to become due." The real estate in which the benefits were invested by appellant did not qualify under the terms and limitations of the immunity granted by the act. Property in which benefits to veterans have been invested is excluded from the exemption.

Carrier v. Bryant, 306 U. S. 545, 59 S. Ct. 707, 83 L. Ed. 976, considered and interpreted the relevant Act of

Congress. It is said therein: "The first sentence grants exemption from taxation, claims of creditors, attachment, levy or seizure under any legal process whatever. The things exempted are 'payments of benefits' due or to become due either before or after receipt by the beneficiary. * * * Investments purchased with money received in settlement of benefits are not such payments due or to become due. Accordingly, giving the words employed their ordinary meaning, the notes and bonds in question are not exempted by the first sentence in § 3. It left them, like other property, subject to taxation, claims of creditors, and legal process. * * * The second sentence of the section clearly recognizes the distinction between benefit payments and property purchased with money therefrom. It declares the exemption provisions in the first sentence shall not attach to claims of the United States; also that exemption from taxation shall not extend to property purchased out of benefit payments. * * * We find nothing in the history or supposed purpose of the enactment adequate to support a construction not in accord with the ordinary import of the words employed."

Lawrence v. Shaw, 300 U. S. 245, 57 S. Ct. 443, 81 L. Ed. 623, 108 A. L. R. 1102, considered the relevant provisions of the Act of Congress of August 12, 1935, set out in part above, in respect to whether bank credits of a veteran which resulted from deposit of warrants received from the government in payment of benefits were exempt from local taxation when the deposits were made in the ordinary manner so that the proceeds thereof were subject to draft upon demand for the use of the veteran. The court therein said: "The provision of the Act of

1935 that the exemption should not apply to property purchased out of the moneys received from the Government shows the intent to deny exemption to investments, as was ruled in the Trotter case (290 U. S. 354). * * * We hold that the immunity from taxation does attach to bank credits of the veteran or his guardian which do not represent or flow from his investments but result from the deposit of the warrants or checks received from the Government when such deposits are made in the ordinary manner so that the proceeds of the collection are subject to draft upon demand for the veteran's use. In order to carry out the intent of the statute, the avails of the government warrants or checks must be deemed exempt until they are expended or invested."

Trotter v. Tennessee, 290 U. S. 354, 54 S. Ct. 138, 78 L. Ed. 358, contains this language: "The question is whether lands in Tennessee purchased by the guardian of a veteran with moneys received from the United States for the use of the disabled ward are subject to taxation. * * * By the World War Veterans Act (Title 38, U. S. C. A., § 471 et seq.), 'The compensation, insurance and maintenance and support allowance * * * shall not be assignable; shall not be subject to the claims of creditors * * *; and shall be exempt from all taxation. * * * Exemptions from taxation are not to be enlarged by implication if doubts are nicely balanced. * * * On the other hand, they are not to be read so grudgingly as to thwart the purpose of the lawmakers. The moneys payable to this soldier were unquestionably exempt till they came into his hands or the hands of his guardian. * * * We leave the question open whether the exemption re-

mained in force while they continued in those hands or on deposit in a bank. * * * Be that as it may, we think it very clear that there was an end to the exemption when they lost the quality of moneys and were converted into land and buildings. The statute speaks of 'compensation, insurance, and maintenance and support allowance payable' to the veteran, and declares that these shall be exempt. We see no token of a purpose to extend a like immunity to permanent investments or the fruits of business enterprises. Veterans who choose to trade in land or in merchandise, in bonds or in shares of stock, must pay their tribute to the state. If immunity is to be theirs, the statute conceding it must speak in clearer terms than the one before us here." See, also, Raburn v. Board of County Commissioners of McIntosh County, 168 Okl. 4, 31 P. 2d 840; Ford v. Harrington, 189 Ark. 48, 70 S. W. 2d 49; City Council of Augusta v. Ransom, 179, Ga. 179, 175 S. E. 497; State v. Wright, 224 Ala. 357, 140 So. 584; Johnson v. Board of Commissioners of Yankton County, 61 S. D. 372, 249 N. W. 683; Annotation, 108 A. L. R. 1105.

The clear intent of the applicable Act of Congress is that payment of benefits due or to become due shall be exempt from taxation before or after receipt thereof by the veteran so long as they are not invested by him but that the immunity from taxation does not extend to property purchased in whole or in part with the proceeds of the benefits granted him by the government. The exemption is limited to the one situation when payments of benefits are due or to become due. The payment of the grant made to appellant involved herein had departed

from that situation and immunity from taxation of the proceeds of the grant was dissipated when investment of the proceeds was made by the beneficiary.

The Legislature of 1955 passed what is sometimes referred to as the basic value law. Laws 1955, c. 289, § 1, p. 918; § 77-112, R. S. Supp., 1955. Its invalidity is attempted to be established by appellants, on constitutional grounds by a discussion in their brief. An issue of unconstitutionality of the act may not be made in this appeal because it was not made an issue before trial in the district court. The first mention of the subject in the record is an assertion in the motion for a new trial filed by appellants. The assignments of error made by them omit any reference to invalidity of the statute. The argument of appellants that the statute is invalid lacks foundation and must be disregarded in the consideration and decision of this appeal. Johnson v. Richards, 155 Neb. 552, 52 N. W. 2d 737.

The judgment should be and it is affirmed.

Affirmed.

APPENDIX C

(Statutory provisions cited and quoted)

38 U. S. C. 454(a) provided:

"Payments of benefits due or to become due shall not be assignable, and such payments made to, or on account of, a beneficiary under any laws relating to veterans, shall be exempt from taxation, shall be exempt from claims of creditors, and shall not be liable

to any attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. Such provisions shall not attach to claims of the United States arising under such laws, nor shall the exemption herein contained as to taxation extend to any property purchased in part or wholly out of such payments."

38 U. S. C. A. p. 470, Regulation No. 1(A), Part IX, provides as follows:

"1. The Administrator of Veterans' Affairs is authorized, under such regulations as he may prescribe, to assist any person (hereinafter referred to as 'veteran') who served in the active military or naval service of the United States, who is entitled to compensation under the provisions of this regulation for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor: Provided, that the regulations of the administrator shall include, but not be limited to, provisions requiring that (a) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (b) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (c) that the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

"2. The assistance authorized by paragraph 1 shall be limited in the case of any veteran to one housing unit, and necessary land therefor, and shall be afforded under one of the following plans, at the option of the veteran, but shall not exceed $10,000 in any one case—

"(a) Where the veteran elects to construct a housing unit on land to be acquired by him, the Administrator shall pay not to exceed 50 per centum of the total cost to the veteran of (1) the housing unit and (2) the necessary land upon which it is to be situated.

"3. The Administrator of Veterans' Affairs is authorized to furnish to veterans eligible for assistance under this part, without cost to the veterans, model plans and specifications of suitable housing units."